industrial production in 1993-94. Banks on their own have invested substantially in government securities because of there attractive market related yields and zero riskiness.

Fraudulent Transactions by Officials of National Housing Bank

6447. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) the names of the officials of National Housing Bank who were responsible for lending Rs. 1214 crore to Harshad Mehta through fraudulent transactions during the period from October, 1991 to April, 1992;

(b) whether the CBI has approached the Ministry for permission to prosecute their affairs, if so, when and the action taken on the request of CBI; and

(c) what are the specific charges for which the officers are proposed to be proceeded against?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) National Housing Bank has reported that a complaint has been filed with CBI, *inter alia,* indicating involvement of 2 of its officials namely Shri C. Ravi Kumar, Asstt. General Manager and Shri S. Suresh Babu, Asstt. Manager in connection with irregularities in securities transactions on ready forward basis aggregating Rs. 1214.30 crores.

(b) CBI requested National Housing Bank in the last week of January, 1994 for issue of sanction orders for the prosecution of C. Ravi Kumar and S.Suresh Babu, National Housing Bank has issued sanction orders for the prosecution of the above two officials.

(c) S/Shri C. Ravi Kumar and S.Suresh Babu have been charged by CBI for offences punishable under Section 120 B IPC r/w 420 IPC, 468, 471, 477A IPC and 13(2) r/w 13(1) (d) of Prevention of Corruption Act, 1988 and substantive offences u/s 13(2) r/w 13(1) (d) of the P.C. Act, 1988 and S. 477-A IPC.

Banks in Orissa

6448. SHRI RAHASBIHARI BARIK: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that the Nationalised Banks in Orissa have not been meeting the working capital needs of the small industries of the state;

(b) if so, the reasons for the failure of the banks to cater to the needs of the small industries in that state;

(c) whether Government of Orissa has taken decision to withdraw its deposits with the banks; and

(d) if so, the reaction of the Central Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

Preferential Allotment of Shares

6449. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) what are the reasons due to which preferential allotment of shares to the promoters is still continuing;

(b) whether Government propose to do away this practice; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Preferential allotments of shares to promoters are legally permissible under Section 81(1A) of the Companies Act, 1956.

(b) and (d) Government has taken no